Setting up of Supreme Court's Benches in South and North-East Regions

1151. SHRI GOVINDRAM MIRI:
SHRI PARAG CHALIHA:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the demand of setting up Supreme Court's Benches in the South and the North Eastern Region has recently been reiterated; and

(b) what is the reaction of Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Yes, Sir.

(b) According to Article 130 of the Constitution, the Supreme Court shall sit in Delhi or in such other place or places, as the Chief Justice of India may, with the approval of the President, from time to time, appoint.

No proposal has been received from the Chief Justice of India in this regard. No action is contemplated by the Central Government till such a proposal is received.

Audit on misuse of Modvat and Flight of Capital

1152. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether a special audit conducted by his Ministry has revealed gross misuse of MODVAT and flight of millions of rupees on the basis of over-invoiced imports and under-invoiced exports;

(b) if so, the details thereof;

(c) the reaction of Government to the findings of a study conducted by three US economists; and

(d) details of the steps taken/proposed in this regard to check the outflow of capitals?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Importers take credit under MODVAT Scheme of the Additional Duty of Customs, paid on imported goods at the time of clearance from Customs. In case the imported goods are over-invoiced, the importer will have to pay more towards the additional duty of Customs (CVD). The importer would be eligible to take MODVAT credit only upto that extent, and does not derive any added advantage.

(c) and (d) The Government is aware of the Study made by Dr. John Zdanowicz, a professor in Florida International University of USA. According to this Study, the estimated capital outflows from India to USA during 1993 ranged from US 4422 million to 1622 millions, which has been arrived at by comparing India's import and export prices from and to the United States to average and adjusted average US World import and export prices.

The study has, however, used only US generated data on imports from and exports to India and compared the same with either India's US import/export prices or with US-World import/export prices. Such a method is not free from pitfalls for the purpose of estimating capital flight, since pricing of commodities in international trade depends on a variety of factors and applying averages in such circumstances can lead to erroneous conclusions.

While the study has concluded that there was capital outflow due to under-invoicing of exports and over-invoicing of imports, the Customs authorities have also detected cases of under-invoicing of imports and over-invoicing of exports. The general belief is that imports are under-invoiced to evade high rates of import duty thereon and exports are over-invoiced in order to avail larger fiscal benefits under Export Incentive Schemes. Moreover, from the illustrative list of items of over-invoiced imports to

India contained in the Study, it is observed that imports of majority of the items mentioned therein have not generally been noticed in recent times. The Government has computerised customs operations in major Custom Houses with a view to create a data-base for valuation and also has strengthened investigation and intelligence machinery to tackle cases of misdeclaration of value.

Helicopter Service from Guwahati Airport to Shillong (Ururoi)

1153. SHRI ONWARD L. NONGTDU: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have decided to introduced Helicopter service from Guwahati Airport to Shillong (Ururoi) and back; and

(b) if so, by when the said service will start, and what would be the proposed fare for the flight?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IMBRAHIM): (a) and (b) A proposal is under consideration of the Government. Pawan Hans Helicopters Limited will be able to operate flights after receipt of Government approval.

Direction by RBI to Commercial Banks for recovery of Blocked Foreign Exchange

1154. DR. B.B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has directed the commercial banks to take immediate action for recovery of foreign exchange, blocked against the undeclared export bills;

(b) if so, the magnitude of blocked foreign exchange; and

(c) details of steps taken by the commercial banks to recover this foreign exchange?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) In terms of provisions of Exchange Control Manual Authorised dealers in foreign exchange are required to closely watch the realisation of export bills, and cases of non-realisation of export proceeds within the prescribed period are required to be reported to RBI. The reasons for non-realisation of export proceeds within the prescribed period are beyond the control of the exporter, extension of time is granted by RBI in appropriate case. Cases involving deliberate delays by exporters are reported to the Enforcement Directorate for necessary Investigation and action under FERA (Foreign Exchange Regulation Act).

As on 31st December, 1995, the value of exports bills which remained outstanding beyond the prescribed period stood at Rs. 6703.83 crores.

झारखंड क्षेत्र में स्थित टाटा कंपनी को दी गई राशि

1155. **श्री ज्ञान रंजन** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) झारखंड क्षेत्र में स्थित टाटा कंपनी को विभिन्न वित्तीय संस्थाओं द्वारा कितनी राशि का ऋण दिया गया;

(ख) उन वित्तीय संस्थाओं के टाटा कंपनी में कितने-कितने शेयर हैं; और

(ग) क्या इन वित्तीय संस्थाओं द्वारा इस कंपनी का कोई स्वतंत्र सर्वेक्षण कराया गया है; यदि हां, तो उसके प्रतिवेदन का ब्यौरा क्या है?

वित्त मंत्री (श्री पी॰ चिदम्बरम): (क) से (ग) सूचना एकत्र की जा रही है और नियमों के अंतर्गत यथा अनुज्ञेय सभा पटल पर रख दी जाएगी।